

Annual Report 2001 of the Environmental Finance Center Network

Environmental Finance Center Network

2001 Annual Report

EFC at the University of Maryland

The primary focus of the University of Maryland EFC is on Watershed issues in the Mid-Atlantic Region

The Environmental Finance Center at the University of Maryland provides communities with tools and information needed to manage change for a cleaner environment and an enhanced quality of life. In its efforts to encourage communities to make informed choices related to the protection of the environment, especially watersheds, the EFC works to promote an atmosphere of respectful, innovative, and creative communication. Located at the Maryland Sea Grant Program, the Environmental Finance Center (EFC) draws from

a wide range of expertise including scientists, planners, engineers, citizen advocates, environmental consultants, business professionals and local government representatives. We use such tools as charrettes and roundtable discussions, workshops and conference sessions,

one-on-one consultation and technical assistance, facilitation and community outreach, and training and education. The EFC at the University of Maryland works primarily in the Mid-

Atlantic region, including the states of Maryland, Pennsylvania, Virginia, West Virginia and Delaware. We also work with communities outside of our region, when invited.



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ACCOMPLISHMENTS

During the year 2001, the EFC engaged in a number of new and ongoing initiatives in areas such as watershed protection involving the purchase of open spaces and greenways, development of financial plans to implement watershed action strategies, and sound

financial management through affordable and equitable utility rate systems and capital improvements planning.

TECHNICAL ASSISTANCE

Patuxent River Greenway, Maryland

In an effort to protect the Patuxent River by establishing an interconnected green corridor, or "greenway," a group of citizens formed the Patuxent Greenway Steering Committee. The Environmental Finance Center serves in an advisory capacity to the Committee, recently helping the Committee produce a Greenway Implementation Strategy. The Strategy is a blueprint for local watershed organizations determined to successfully protect green corridors in the face of increasing development pressures. The Strategy was adopted by the Committee and has been distributed to officials within Anne Arundel County.

Hampshire County, West Virginia

Rural Hampshire County, West Virginia, with a population of about 15,000, is experiencing growth pressure from the Washington D.C. and Northern Virginia areas.

The EFC has been providing technical assistance to the Hampshire County Comprehensive Planning Committee through the Cacapon and Lost Rivers Land Trust (CLRLT). Currently, the EFC is working with the Trust to conduct a watershed-visioning workshop, which will take place in the spring of 2002. The goal of the workshop, called Healing Waters, is to develop a strategy for protecting forested and agricultural lands in the watershed. The EFC is partnering with several organizations on this project, including the Canaan Valley Institute and the National

Park Service Rivers, Trails, and Conservation program.

Task Force on Upgrading Sewerage Systems, Maryland

On March 19, 2001, Governor Parris Glendening established the Task Force on Upgrading Sewerage Systems by Executive Order. The EFC Coordinator was invited to serve on this historic 21-member Task Force, chaired by Bob Perciasepe, former Assistant Administrator for the Office of Water at the United States Environmental Protection Agency.

Meeting bi-weekly from July through December, the Task Force was asked to identify the costs of upgrading sewerage systems and separating combined sewerage systems and identify methods through which the State, counties, and municipalities could fund these upgrades. The Task Force concluded that there was \$4.3 billion in sewerage system needs in the state over the next twenty years.

The EFC was instrumental in developing the financing recommendations for the report, which can be found on the web at www.mde.state.md.us/was/solidwaste/swmtaskforce/execsummary.htm

Maryland Nutrient Cap Strategy workgroup/Tributary Strategies Development

The 1987 Chesapeake Bay Agreement, as amended in 1992, set a goal to reduce pollutant levels of nitrogen and phosphorus by 40% by 2000, *and to maintain that reduction thereafter*. In Maryland, a Nutrient Cap Strategy Workgroup prepared and submitted its report to the Governor on March 31, 2001. Included in the report was a "financial strategies" section written by the EFC Coordinator.

The workgroup was invited to continue as the newly formed Tributary Strategies Development Workgroup. This new Workgroup is charged with developing an approach for revising the Tributary Strategies of 1992 to meet the challenges of the future. It began meeting monthly in May. As a member of the workgroup, the EFC provides technical assistance on such issues as using economic incentives to reduce inputs of nutrients to the Bay and its rivers.

Technical assistance for utility rate-setting and utility financial management

In its continuing effort to serve the smaller communities in its region, the EFC training manager is contacted from time to time by communities seeking assistance in evaluating rate structures supporting water and sewer utilities. Over the past year, the EFC has provided technical assistance and analysis in such areas as conservation pricing for water rates, budget impacts of different utility system loan amounts, and uniform rate structures for multi-system regional utilities. Partners have included the Maryland Rural Development Corporation and USDA's Rural Utilities Service (RUS). Communities assisted include:

Willards, MD
Frostburg, MD
Laurel, DE
Snow Hill, MD
Cape Charles, VA

TRAINING WORKSHOPS

Financing Management, Capital Improvements Planning and Rate Design Training

Utility rates offer a primary mechanism for capturing most of the costs of operating and maintaining water and waste water systems and can ensure that they are self-supporting. Good financial management and sustainability for water and wastewater systems usually entails good long range planning, especially Capital Improvements Planning (CIP).

The EFC offers rate design workshops, financial management and CIP training to elected officials, utility operators, engineers and others interested in the concepts and technicalities of properly and sustainably managed utility systems.

During the year, the EFC conducted a series of full- and half- day workshops, including:

West Virginia, co-sponsor: West Virginia Rural Water

April 11: Lewisburg
April 13: Keyser

West Virginia, co-sponsor: National Environmental Training Center for Small Communities at West Virginia University (NETCSC)

August 6-10: Morgantown – Second Annual Training Institute

Virginia, co-sponsor: Virginia Rural Water Association

January 16: Big Stone Gap
January 18: Daleville

Delaware, co-sponsor: The Delaware Environmental Training Center at Delaware Technical and Community College

May 15: Georgetown campus
November 8: Georgetown campus
December 17: Georgetown campus

Pennsylvania, co-sponsors: Small Public Water Systems Technical Assistance Center (SPWSTAC) at Penn State-Harrisburg, Pennsylvania Department of Environmental Protection (PADEP), Northeast Rural Community Assistance Program (RCAP)

October 2: Williamsport
November 6: Harrisburg/Middletown
November 13: Harrisburg/Middletown
December 13: Malvern

Maryland, co-sponsor: Maryland Rural Development Corporation (MRDC)

November 29: Cambridge
December 4: Greensboro
December 11: Federalsburg

Financing Watershed Strategies workshops

In order to address a need for better understanding of watershed-based financing techniques, the EFC has developed a training workshop which promotes the coordination of funding and technical assistance programs with innovative financing techniques to support watershed management.

During the year, the EFC conducted the training workshop "Financing Watershed Strategies" in coordination with the National Watershed Forum on July 1, 2001 in Arlington, Virginia. The workshop was also offered in coordination with the second Mid-

Atlantic Regional Watershed Roundtable, held in Doylestown, Pennsylvania on December 5. In addition, the "Financing Watershed Strategies" training was offered in Colorado in November through an agreement with the EFC for Region 10 at Boise State University.

Green Infrastructure course

The EFC completed its work with partners including The Conservation Fund, USDA Forest Service, the National Park Service's Rivers, Trails and Conservation Assistance Program, Maryland Department of Natural Resources, the U.S. Environmental Protection Agency, and American Farmland Trust, to develop a new 3-day "green infrastructure" course. The pilot, which was offered from April 30-May 3 at the National Center for Conservation Training in Shepherdstown, WV, was attended by 25 invitees from across the country. Through lecture, case studies and class exercises, participants learned practical information on the planning, design and financing of innovative interconnected green infrastructure.

CHARRETES

Stewardship Roundtable co-sponsored by the Environmental Financial Advisory Board of the USEPA and the Environmental Finance Center at the University of Maryland

In 2001, the EFC Director and Coordinator participated in a series of discussions with members of the USEPA's Environmental Financial Advisory Board (EFAB) about the nature and current status of stewardship of private lands in the United States. In order to explore creative tools and incentives to

conserve privately held lands, a roundtable was conducted on August 8, in San Francisco, and was moderated by the Maryland EFC Director.

NEW INITIATIVES FOR 2002

The Maryland EFC has contracted with the Maryland Department of Natural Resources to design and conduct a series of five *Financing Watershed Strategies* workshops in conjunction with the state's Watershed Restoration Action Strategy (WRAS) initiative. The EFC is also scheduled to offer a variety of training courses and conference sessions on the benefits of sound financial management and will continue working with communities in our Source Water Protection project. In addition, the EFC is working with the Cacapon and Lost Rivers Land Trust to conduct a watershed-visioning workshop, which will take place in the spring of 2002.

EFC NETWORK COLLABORATIONS

Financing Watershed Strategies workshops

The EFC continues to offer train-the-trainer courses to EFC Network colleagues in order to introduce or enhance their workshop offerings in the area of watershed-based financial training.

Source Water Protection initiative

In coordination with USEPA's Office of Ground Water and Drinking Water, the Environmental Finance Center Network (EFCN) is working with local communities to assist them in developing drinking source water protection plans. Four EFCs are collaborating on the project, led by the University of New Mexico EFC, and including

the EFCs at University of North Carolina, Boise State University and the Maryland EFC.

The Maryland EFC is working in two communities:

Berkeley County, WV

Berkeley County, 325 square miles, is located in the eastern panhandle of West Virginia, about 65 miles northwest of Washington, D.C. Many people who work in the Washington/Baltimore region are relocating to this area, and the county is experiencing rapid population growth.

At the invitation of the EFC, and in partnership with the West Virginia Department of Health and Human Services (WVDHHS), a task force has been formed to develop a plan to protect the region's drinking water resources for current and future generations. The task force's 15 members include representatives from Berkeley County, the City of Martinsburg, the Federal Government (USGS), State Government (WVDHHS), Berkeley County drinking water systems, and non-governmental organizations such as the Canaan Valley Institute, a recognized expert in GIS mapping. Meeting monthly since the summer, the task force is gathering information and data in preparation for developing a protection plan. The EFC Assistant Coordinator has been organizing and facilitating the meetings, suggesting appropriate expert testimony when needed.

Frederick County, Maryland

Lake Linganore is located in southern Frederick County, Maryland, about 40 miles north of Washington, D.C. Recent and rapid population increases have placed increased demands on the area's natural resources, including drinking water. Both Frederick County and Frederick City rely on Lake Linganore and Linganore Creek as a drinking water source.

The first meeting of the Linganore Source Water Task Force was held on September 17, 2001. Task force representatives include Frederick County, Frederick City, citizens' associations, regional non-profits, farmers, NRCS, local landowners, and consulting agencies. The EFC Assistant Coordinator organizes and facilitates the monthly meetings, working through the perceived and sometimes real conflicts between stakeholders in an effort to begin the process of developing a protection plan for the watershed.

PRESENTATIONS - CONFERENCES - MEETINGS

18th Annual Wastewater Operator Trainers' Conference

The EFC Training Manager and the Director of the EFC at Boise State were invited to make a presentation at the 18th Annual Wastewater Operator Trainers' Conference in Philadelphia on June 10-13 on the services the EFC can provide to enhance the training of other organizations.

Pennsylvania Rural Water Association

The Pennsylvania Rural Water Association invited the Training Manager to present a three hour session on "Local Officials Responsibilities for Operating a Small Water System" at their annual conference March 27-30, and was also offered to exhibit EFC information.

USEPA Regions 1, 2, 3 and 5 Capacity Development Workshop

The Capacity Development Workshop for Regions 1, 2, 3 and 5, conducted May 15 - 17, in

Philadelphia, featured the Training Manager from the Maryland EFC as well as the Director of the EFC for Region 6. The workshop highlighted what the different states and assistance agencies are doing to address capacity development issues and requirements, particularly for small systems.

West Virginia Rural Water Association Capacity Development Conference

The West Virginia Rural Water Association held its first annual Capacity Development Conference and Exposition in Charleston, WV on January 8 and 9, 2001. The EFC Training Manager presented two 1.25-hour sessions on "Developing a Capital Improvements Program" as well as exhibiting in the "hall of information." As a result of this first offering, the Training Manager was asked to repeat the session at the 22nd Annual West Virginia Equipment, Technology and Design Exposition in March 2001.

West Virginia Rural Water Association Technical Conference

The EFC has developed training on Capital Improvements Planning for small communities which have little or no experience in developing and implementing a plan. Both West Virginia and Virginia Rural Water Associations have expressed an interest in these training workshops.

The Training Manager was invited to present a 1.5 hour version of the Capital Improvements Planning (CIP) program at the annual West Virginia Rural Water Technical Conference, October 8-10, 2001. The Maryland EFC is now featuring a brief demonstration of the EFC 10 Capital Finance software in each of these CIP sessions, and the response has been uniformly enthusiastic, particularly

among small and medium sized systems (500 population and up). The software is viewed as a useful tool for longer-term planning and building full cost recovery rates that include reserve provisions.

Mid-Atlantic Governors' Conference on Greenways, Blueways & Green Infrastructure

The EFC was invited to participate on a panel moderated by The Trust for Public Lands (TPL) at the Mid-Atlantic Governors' Conference on Greenways, Blueways and Green Infrastructure on September 18, 2001. The session, entitled "Funding Initiatives for Green Infrastructure," provided an in-depth review of creative funding strategies for land conservation and included the TPL Director for Conservation Funding and the Maryland EFC Coordinator.

OTHER

Maryland Sea Grant Aquafarmer newsletter

Dan Nees, Assistant Coordinator at the EFC, published an article in the Spring 2001 edition of *Maryland Aquafarmer*, a Maryland Sea Grant Extension newsletter. The article described EFC's emphasis on watersheds within Region III, as well as its "multi-source" funding approach to environmental initiatives.

Baltimore Sun article

Beth Hickey, Coordinator at the EFC, was recently interviewed for an article in the October 9, 2001 edition of the *Baltimore Sun*. The article described Bay Ridge (MD) residents' efforts to fund the purchase of a neighborhood forest adjacent to the Chesapeake Bay. The EFC was quoted extensively in

its role as convener of a charrette (in 2000) to explore ways in which the community could preserve the wooded tract.

The Coordinator was also quoted in another *Baltimore Sun* article (November 22, 2001) entitled "Preservation by purchase: Neighbors pool cash, buy threatened lands."